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July 5, 2005

APHIS  
Neil Hammerschmidt  
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Riverdale, MD 20737-1231

RE: Docket 05-015-1

These comments are submitted in sequence with the questions offered.

While I understand that achieving the stated goals of the NAIS will require some critical mass of participation, I believe that in the early stages of a NAIS talk of a mandatory system will do nothing but limit participation. The demand that exists in the marketplace, if allowed to mature, will drive a much higher level of participation than the threat of a mandatory program. It is logical that at some point in the future we may need to define a critical level of participation to achieve the objectives but at this point we are so far from being able to deliver tracking technology into the broad marketplace that all we do is create confusion and concern by discussing it. As someone who has been involved in traceable marketing systems for many years now, I can attest to the fact that we tag fewer cattle today than we did prior to the open discussion of a NAIS due to the confusion that the discussion has created in the minds of producers and marketers.

In the event of a need for compliance monitoring, that is a clear role of the regulatory agencies. Industry cannot be expected to provide that function. Another benefit of allowing the voluntary, market driven development is that the market itself provides compliance monitoring as a function of value differentiation.

One needs only look at the mechanics of the Brucellosis program to see that local markets and veterinarians can deliver these services. Working with local veterinarians and other staff at these locations a credible system can be implemented to provide tagging as a service. If we do not explore the possibilities of a friendly, localized access to the system we will dramatically alter the marketplace by eliminating many smaller producers and local auction markets. There is much concern in the markets over this issue. Costs, liability and the responsibility of performing this service concerns them and should. If we are indeed concerned with soliciting participation we must clearly leave the system flexible enough to allow for multiple entry points and mechanisms for various service providers to facilitate producers coming into the program.

Direct trade animal movements will be recorded when there is a value to do so. Allowing market price differentiation to drive implementation will achieve this objective. A mandatory reporting structure could very easily push many animals out of the traditionally recognized marketing channels and into a "black market" to avoid compliance, value will bring them in. Recording movements of direct trade livestock can best be achieved by allowing the value of reporting those events to drive data collection. I believe that much of this data will be reported voluntarily as these producers tend to be much more in tune with demand in the marketplace. Mandatory reporting of these events will require an army of regulatory data collection personnel and the funding necessary to keep them in place. The cost of forcing participation is too great!!!

Animals should be identified when they enter commerce or are commingled; this is the only time that their movement or even existence impacts disease programs. Requiring identification earlier will increase the incidence of lost tags, incorrect application and confusion over the purpose of the program. Many will track tags as a function of responsible distribution of a high unit value item. This should be allowed to develop, and the mechanisms evaluated as it matures. Identifying animals prior to entry into commerce does

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not create any data useful to accomplish the stated goals of NAIS. Requirements to tag animals at birth or at some other age specific point when those animals have not been commingled, changed ownership or moved interstate will only serve to reduce producer participation and further lengthen the period of time it will take to implement.

The timeline is too aggressive relative to the mandatory date. We will slow adoption and participation with that looming over our heads. It is important that by the end of this year we clearly communicate to producers and the marketplace what is expected of them, the interaction between USDA and private industry and the role of the state animal health official. Arguments over how to collect and provide access to information will have to end before any substantial progress will be achieved. Once again, allowing market forces to drive implementation under a clear and honest set of solidly communicated objectives will move us forward. It is important that we communicate a clear and concise message to the industry concerning the expectations of implementation progress. However, there have been so many target dates expressed that have been represented as concrete mile markers that have passed by with little or no progress, I am not sure that the dates mean much. The demand and drive that exists and continues to develop in the marketplace is indeed a more aggressive driver than the threat of a mandatory system at this point. I do not believe that any of the significant activity that is occurring in animal id today is occurring because of a looming NAIS, the activity is developing because of the perception created by the discussion and the influence of requirements to reestablish and solidify our position in the international trading community. These forces should be embraced by USDA and the full force of the agency should be utilized to assist the industry in responding to these signals to implement.

It is logical that the pressure is on the cattle industry to develop a NAIS. Other species should be implemented on a graduated schedule depending on the amount of capability that exists within that industry to comply. For instance, pork and poultry can, for the most part, comply very early while the sheep and goat industries will require substantial technology development to implement. Species should implement as the technology and their specific capabilities allow. Everyone understands at this point that the cattle industry is under the most pressure to implement and this progress should not be slowed by complicating the situation by attempting to bring everyone along at once. There are significant differences in the ability and willingness of the different species to respond and implement. A template for implementation can be developed and the systems put in place working with the cattle industry, which will eliminate much of the discussion and argument that is inevitable in other species.

If the system is to achieve its objective we must look toward simplicity and multi level capability and involvement of all sectors of the industry. Incorporating existing data management and collection systems out in the industry into the system will speed adoption and enhance the validity of the data. Allowing market forces to drive identification and data collection will yield a higher volume of more accurate and useful data since its collection and accuracy would be driven by its value. Submission of data should be as flexible as possible to accommodate the collection of data from existing systems in industry as well as providing friendly interfaces to allow for individuals to submit data on their own. Cost of delivery must be considered along with the potential room that some methods leave for data error. Web based systems that allow for flexible file transfer or reporting interfaces are preferable. Third party systems will generate much of the data necessary to drive NAIS and should be considered a useful and necessary partner in this venture. Phone, mail or other two step human reporting processes will prove to be very costly and create tremendous opportunity for errors.

Allowing industry to drive the implementation and develop the system to house information to then be made available for the purposes of NAIS is the best method of protecting confidentiality. Data that is actively used for disease management purposes will be in the public domain under current statutes. This is understood and action will be required to provide USDA with appropriate protections to insure that this does not limit it's ability to freely utilize data for its intended purpose. It has been stated that the only data that should be required to achieve this purpose are the animal id, premise id, date and event codes associated with animals and their cohorts that are involved in a case. Clearly defining the limited uses of NAIS data to disease surveillance and disease management programs and insuring that data cannot be internally used for other purposes will go a long way toward comforting industry. We are talking about a body of data that will be considered very useful by many branches of federal and state government and entities in the private sector. The threat of data falling into the hands of other agencies or even branches of USDA or competitors in the private sector will limit participation.

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The receiving party should report movements with the option of both. This insures that producers concerned about whether or not information pertaining to them is appropriately reported have the option to do so without creating an undo burden on any one sector. The costs and complications involved in requiring reporting in and out are huge and in the end don't actually create useful data. In my opinion, given the opportunity, many markets and shippers will develop systems to report in and out, as a function of responsible inventory management or as a customer service.

From a technical standpoint there is no validity in the argument that a privately operated system cannot operate with the same level of speed, accuracy and access as a federally managed system. In fact a privately managed system, driven by demand in the marketplace, would be much more responsive to technological advancements and would logically not fall prey to the pitfalls that have plagued federally managed databases in the past. Providing appropriate access to information for the intended purposes of the NAIS should be the goal of either system. There is no question that a privately managed system owned and overseen by an industry consortium has much more flexibility to protect data from unintended uses and can furthermore allow the needs of the industry to operate within the same architecture as those of the regulatory officials. It is short sighted to consider investing the tax dollars required to build a federally operated system that will not generate the data points that drive value in the marketplace. There should be a single, centralized national repository for animal movement information. However, the pressure is on the cattle industry to proceed rapidly and an industry that is willing to address an issue of this magnitude should be allowed to do so. APHIS should embrace the willingness of the cattle industry to provide leadership and take on a task of this magnitude and join forces to move the effort forward in the spirit that was originally communicated, partnership. Bringing the people you propose to regulate into a room and telling them what you are going to do is not a partnership. Engaging the willing, and embracing the expertise that exists in that community is a partnership.

There are numerous approaches that could credibly fund a privately managed NAIS. The most workable and simple is a tag levy that could be administered during the process of tag manufacturers accessing approved id codes.

In closing, the energies of USDA/APHIS should be focused on the logical primary pieces of a NAIS required to move the process forward. Implementing a functional premise id code registration system is paramount and has yet to be achieved. This very simple part of the equation should have already been behind us. Furthermore, USDA/APHIS could dramatically advance the implementation of a NAIS by clearly, concisely, consistently and honestly communicating their intentions for using the data resulting from such a system and their commitment to protecting the data from uses external to its intended purpose. There is little understanding of how disease surveillance operates in the US. Communicating what is required to achieve the level of safety and protection that we currently enjoy would be very beneficial.

Thank you for your consideration,  
Tennessee Cattlemen's Association  
Luke West  
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